



Lancashire
Enterprise Partnership

Labour Market Information

Supplement to the Lancashire
Skills and Employment Strategic
Framework 2021



Economic Overview – Pre-COVID

Lancashire has a proud industrial heritage, with the Manufacturing sector contributing the highest of any sector to Lancashire's Gross Value Added (GVA) as of 2018 figures (as shown in figure 1), with a contribution of over £6.3bn, accounting for over 18% of GVA, and 13.7% of all employment in the Lancashire LEP area (see figure 2); the percentage of employment in the Manufacturing sector Lancashire is 5.6% higher than in Great Britain (GB).

Other sectors of significant scale in Lancashire, both in terms of contribution to Lancashire's GVA and/or Employment are;

- + Wholesale and Retail Trade (including repair of Motor Vehicles) with over £5bn GVA contribution and 17.6% of employment in Lancashire (2.5% higher than GB)
- + Real Estate Activities (£3bn+ GVA contribution, 1.1% of all employment, (0.6% lower than GB))
- + Human Health and Social Work Activities (£3bn+ GVA contribution and 14.6% of all employment in Lancashire (1.5% higher than GB), the second highest of all sectors by employment percentage after Wholesale and Retail Trade).

Sector (defined by the Standard Industrial Classification (SIC))	2018 GVA (£2016m)
Manufacturing	£6,329
Wholesale and retail trade; repair of motor vehicles	£5,080
Real estate activities	£3,850
Human health and social work activities	£3,083
Construction	£2,327
Education	£2,114
Public administration and defence	£1,599
Professional, scientific and technical activities	£1,350
Administrative and support service activities	£1,315
Agriculture, mining, electricity, gas, water and waste	£1,165

Figure 1: Sector GVA

Source: ONS Regional gross value added (balanced) by industry: local authorities by NUTS 1 region: UKD North West, 2019

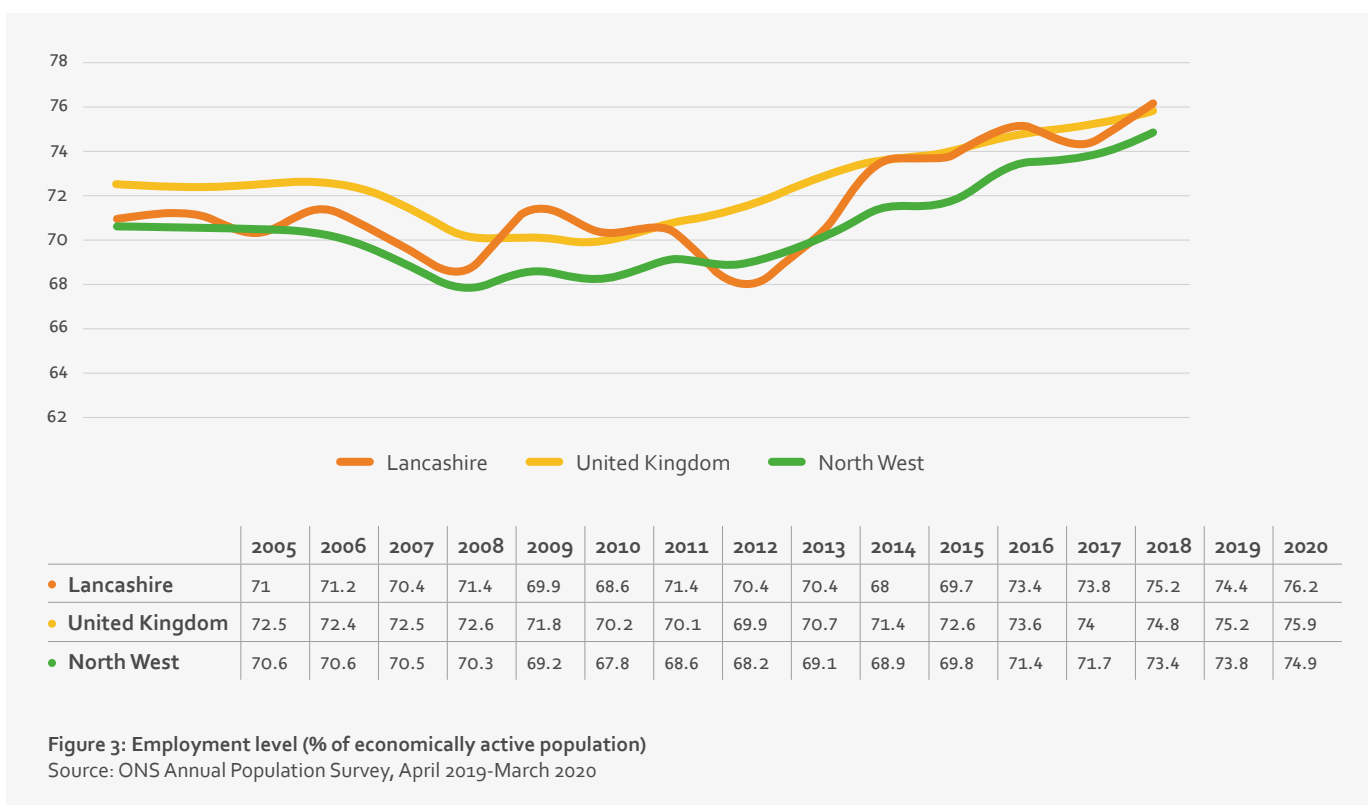
Education also plays a key role in Lancashire's economy, with a contribution of over £2bn to Lancashire's GVA and making up 8.9% of Lancashire's employment. Whilst Administrative and Support Service Activities (7.2% of all employment (1.7% below GB average)) and Accommodation and Food Services (7.1% of all employment (0.4% below GB average)) are 5th and 6th respectively in regards to sector employment in Lancashire, they are both below the GB averages.

Sector	Lancashire Employment	Lancashire %	North West %	Great Britain %	Versus GB
Wholesale and retail trade	112,000	17.6	16.9	15.1	2.5
Human health and social work activities	93,000	14.6	13.3	13.1	1.5
Manufacturing	87,000	13.7	9.6	8.1	5.6
Education	57,000	8.9	8.5	8.8	0.1
Administrative and support service activities	46,000	7.2	9	8.9	-1.7
Accommodation and food service activities	45,000	7.1	7.1	7.5	-0.4
Construction	37,000	5.8	4.7	4.7	1.1
Professional, scientific and technical activities	35,000	5.5	8.3	8.6	-3.1
Public administration and defence; compulsory social security	31,000	4.9	4.4	4.3	0.6
Transportation and storage	26,000	4.1	5.4	4.8	-0.7

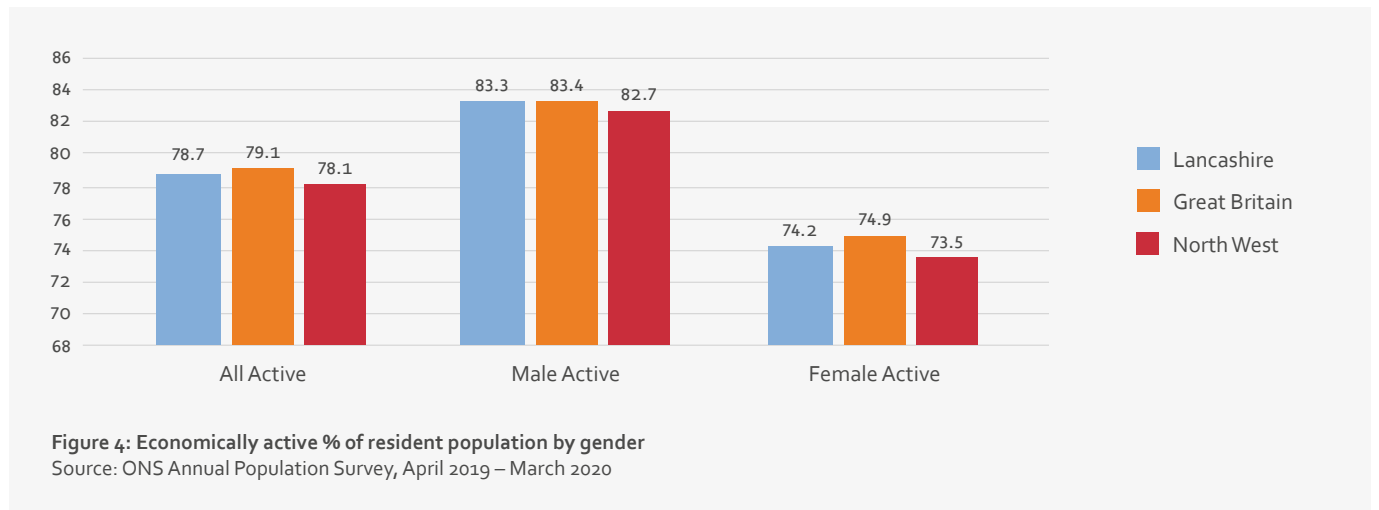
Figure 2: Sector Employment as a percentage of all employment

Source: Business Register and Employment Survey, 2018

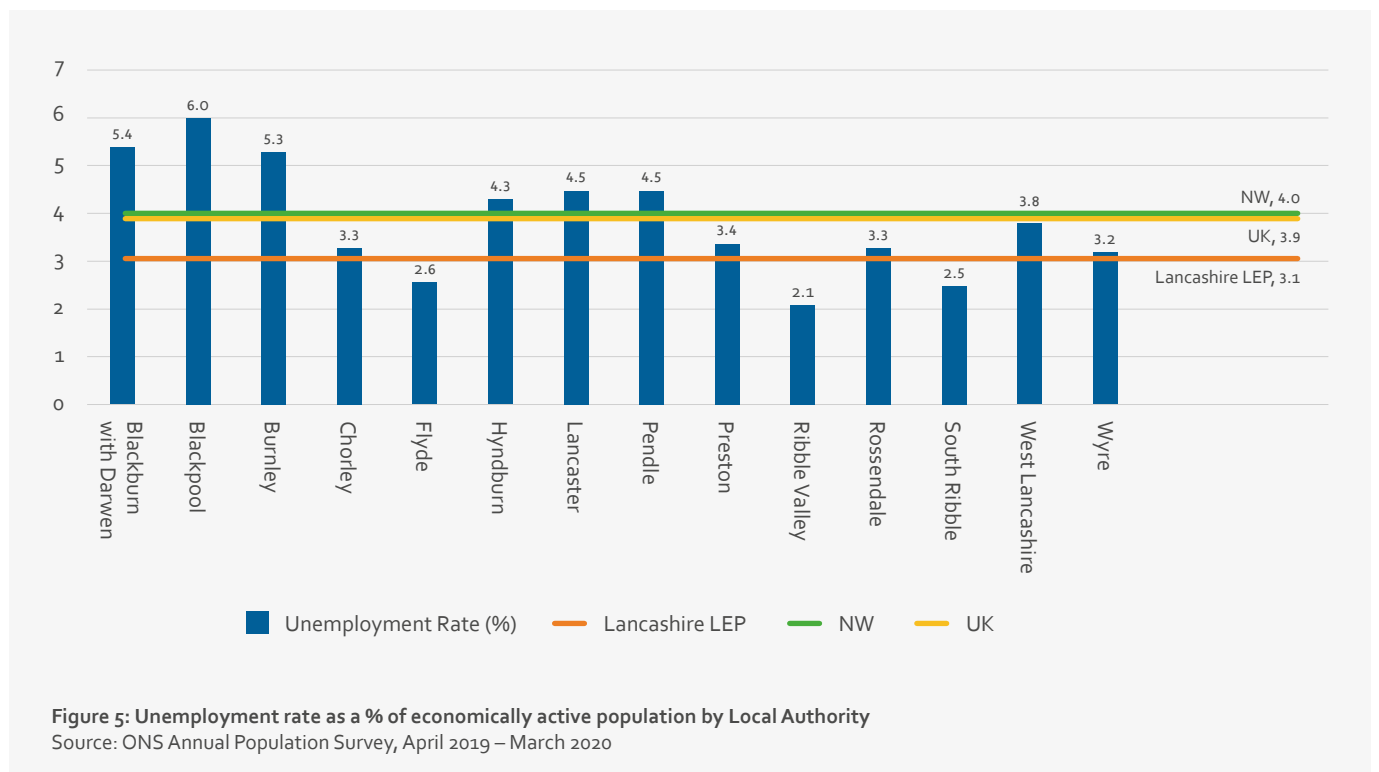
As of March 2020 (most recent data), the Lancashire LEP employment rate was higher than that seen regionally in the North West, and in the UK, at 76.2% versus 75.9% and 74.9% in the UK and North West respectively (see figure 3). Prior to that, Lancashire's employment rate had been below the UK overall rate in 2019, and for much of the period from 2013 to 2017.



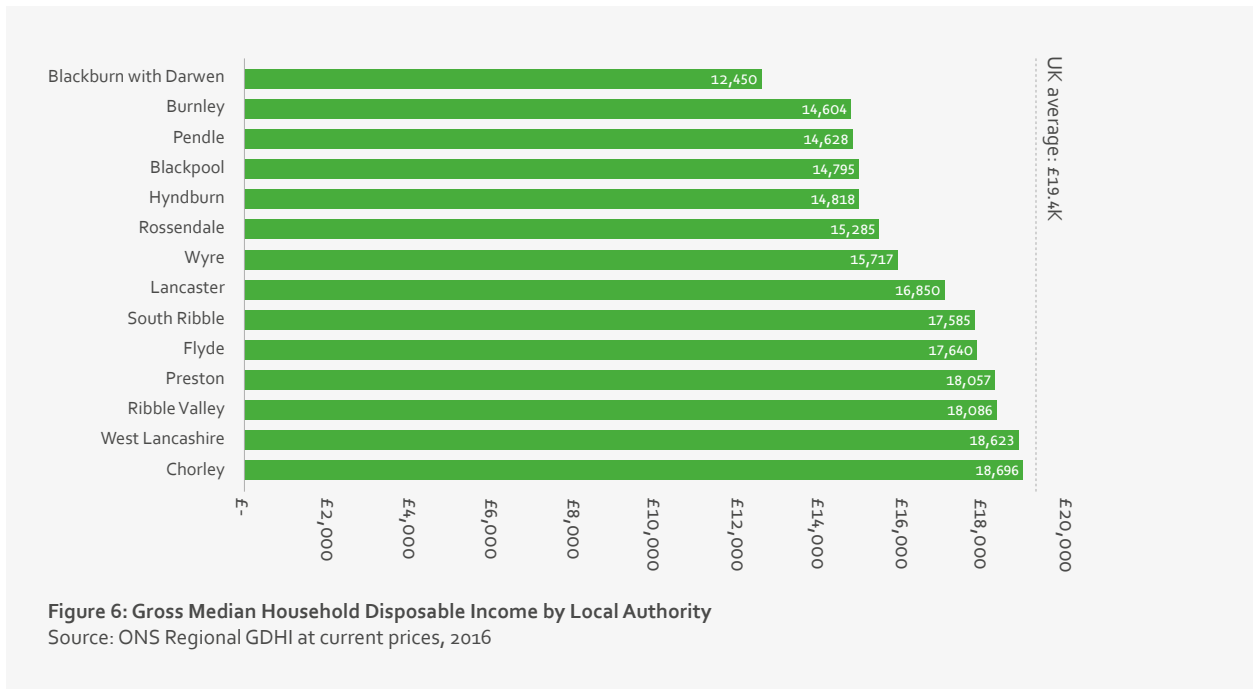
Lancashire has a lower percentage of economically active residents than in Great Britain, with 78.7% of Lancashire residents economically active compared to 79.1% in Great Britain, though higher than in the North West, at 78.1% (see figure 4). The differential of economically active residents in Lancashire vs Great Britain is 0.4 basis points as of March 2020. For Males this differential is 0.1 basis points (83.3% economically active in Lancashire vs 83.4% in Great Britain), and for females this differential is 0.7 basis points (74.2% economically active in Lancashire vs 74.9% in Great Britain). In Lancashire the differential between Male and Female economic activity is 9.1 basis points, this is 8.5 basis points in Great Britain, showing a wider gap between the economic activity of Males and Females in Lancashire compared to the gap in Great Britain (0.6 basis point differential).



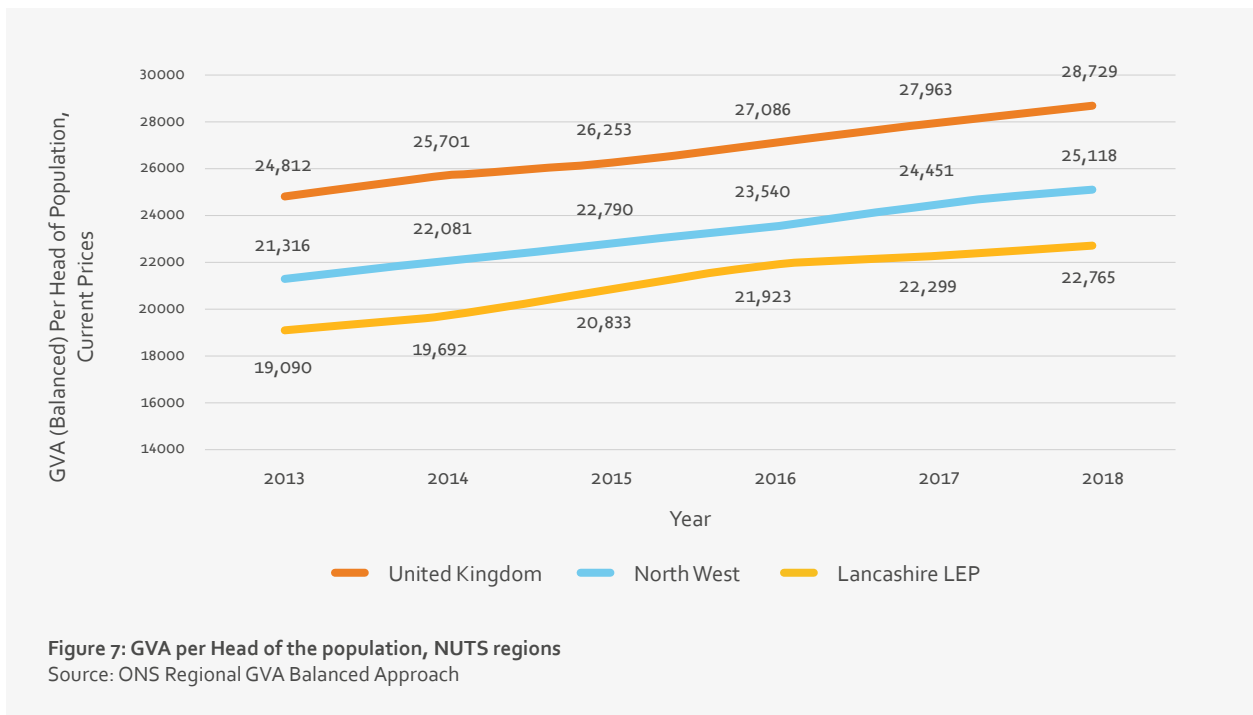
Pre COVID-19, there were existing disparities in both the unemployment rate and household disposable income within Lancashire. Unemployment rates ranged from 2.1% in Ribble Valley to 6.0% in Blackpool as of March 2020, compared to the Lancashire LEP area overall of 3.1% (see figure 5). Lancashire's unemployment rate is below the North West and Great Britain rates of 4.0% and 3.9% respectively.



2016 Household disposable income data in each of Lancashire's 14 district authorities shows that they are below the UK average of £19,400, and show significant regional variation, with over £6,000 disparity annually between the district with the highest average household disposable income (Chorley, £18,496), and the lowest (Blackburn with Darwen, £12,450) (see figure 6).



Lancashire has seen increases in its GVA per head over the last 5 years, but this growth has not kept up with the pace of growth in GVA per head that's been experienced on average in the UK (see figure 7). In 2013, GVA per head in Lancashire was £19,090, which was £5,722 per head lower than the UK overall of £24,812. In the most recent figures (2018), GVA per head in Lancashire is £22,765, which is now £5,964 lower than UK GVA per capita of £28,729, a deterioration of £242 per head (4.2% higher than 2013) vs the productivity gap in 2013. Lancashire has also failed to close the gap significantly on North West GVA per head, in 2013 Lancashire was £2,226 per head less productive than the North West, and as of 2018 (most recent figures) is now £2,353 per head less productive than the North West (5.7% higher than 2013).



As aforementioned, Lancashire lags the North West and UK in terms of productivity, as measured by GVA per head, however there is considerable variation within Lancashire. 2018 data shows GVA per head is the highest in Mid Lancashire NUTS region* at over £30,000 per head (see figure 8), exceeding the UK and North West averages, compared to Lancaster and Wyre NUTS region, which has GVA per head of just £17,214.

Different areas within Lancashire have grown at differing rates, Blackpool has had the fastest compound annual growth rate, 6%, between 2013 and 2018, increasing GVA per capita by £5,460 (see figure 8). Conversely, Lancaster and Wyre have seen a compound annual growth rate in GVA per capita of 1% (equivalent to a £649 per capita increase), 3% below the Lancashire average, and 2% below the North West and UK average. In 2013 Lancaster and Wyre had the third highest productivity in Lancashire, now it has the second lowest, having been overtaken by Blackpool and Blackburn with Darwen.

Region name	2013	2014	2015	2016	2017	2018	Nominal Change (2013-18) £	Compound Annual Growth Rate
United Kingdom	24,812	25,701	26,253	27,086	27,963	28,729	3,917	3%
North West	21,316	22,081	22,790	23,540	24,451	25,118	3,802	3%
Lancashire	19,090	19,692	20,833	21,923	22,299	22,765	3,675	4%
Blackburn with Darwen	16,375	17,265	19,237	20,236	21,371	21,208	4,833	5%
Blackpool	14,887	15,725	16,733	17,943	19,371	20,347	5,460	6%
Lancaster and Wyre	16,565	16,791	16,820	17,230	16,956	17,214	649	1%
Mid Lancashire*	25,156	26,285	27,232	29,082	29,711	30,279	5,123	4%
East Lancashire**	18,674	18,980	20,835	21,430	21,300	21,773	3,099	3%
Chorley and West Lancashire	16,528	16,728	17,912	19,155	19,412	20,032	3,504	4%

*Mid Lancashire is made up of Fylde, Preston, Ribble Valley and South Ribble local authorities

**East Lancashire is made up of Burnley, Hyndburn, Pendle and Rossendale

Figure 8: GVA per Head of the population, NUTS regions

Source: ONS Regional GVA Balanced Approach

In addition to this, Lancashire has an ageing workforce and a smaller working age population, with a lower proportion of the population in Lancashire aged 16-64 than is typical nationally or indeed regionally in the North West (see figure 9). As of 2019, 60.9% of the Lancashire population were aged 16-64, compared to 62.5% in the UK and 62.1% in the North West.

Area	Aged 0 - 15	Aged 16 - 64	Aged 65 +
Lancashire	19.0%	60.9%	20.1%
North West	19.1%	62.1%	18.7%
United Kingdom	19.0%	62.5%	18.5%

Figure 9: Population age distribution

Source: Population estimates - local authority, based by five year age band, 2019

Replacement demand in Lancashire's key sectors across the 10 years from 2018-2028 demonstrates the need to attract and retain skills to enable businesses to function effectively (see figure 10). Forecasts indicate upwards of 130,000 jobs will be required to replace workers leaving the workforce altogether and those moving between sectors in the Wholesale and Retail Sector, 96,000 in the Health and Social Work sector, 84,000 in the Accommodation and Food Services sector, 72,000 from Administrative and Support Services sector, and 70,000 in the Manufacturing Sector. There will also be considerable demand in the Administrative and Support Service sector, Education Sector, and Construction. Although Real Estate Activities provides a high proportion of Lancashire's GVA, it is not expected to require as many workers to replace those leaving the sector and the workforce. Replacement demand forecast will be effected the economic disruption caused by COVID-19 which has varied by sector, and is described in further detail later. To what degree replacement demand forecasts will change is unquantifiable at present.

Sector	Replacement Demand 2018-2028 (000s)
Wholesale and retail trade; repair of motor vehicles and motorcycles	130.9
Human health and social work	96.0
Accommodation and food service	84.6
Administrative and support service	72.5
Manufacturing	70.0
Education	56.7
Construction	37.8
Real estate activities	8.2

Figure 10: Replacement Demand by Sector, Lancashire, 2018-2028

Source: Oxford Economics, Local Authority Databank

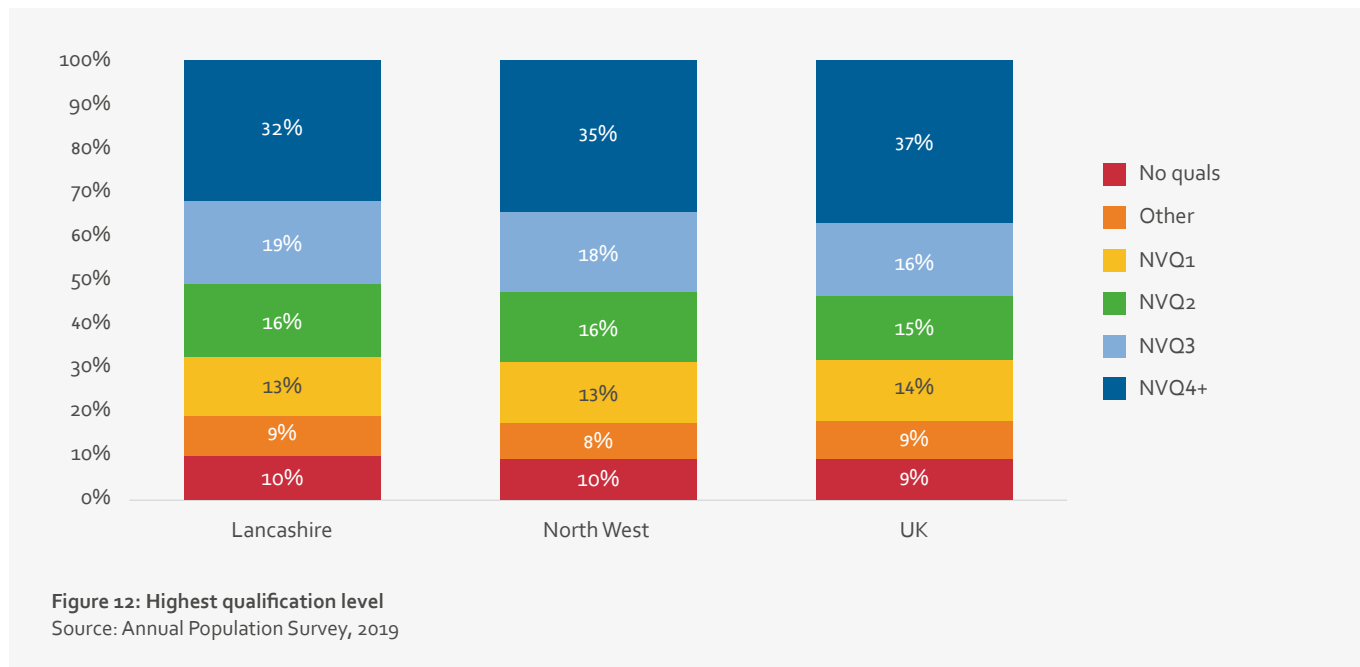
Projections of demand for qualifications to 2028 show nationwide increased demand for Levels 3 and 4+ with declines in demand for Levels 1 and 2, and a significant fall in demand for those with no qualifications (see figure 11). Lancashire is projected to experience a larger decline in the demand for those with no qualifications, 7%, than the UK (5%.) Lancashire is also projected to see a larger fall in demand in Level 1 and Level 2 qualifications with falls of 4% and 5% respectively, compared to the UK fall in demand of 2% and 3% respectively. At the same time, demand in Lancashire is projected to increase at Level 3 by 5% and at Level 4+ by 4%.

Skill Level	Lancashire Demand Change 2018-2028	UK Demand Change 2018-2028
NVQ 4+	4%	6%
NVQ 3	5%	8%
NVQ 2	-5%	-3%
NVQ 1	-4%	-2%
Other	16%	18%
No quals	-7%	-5%

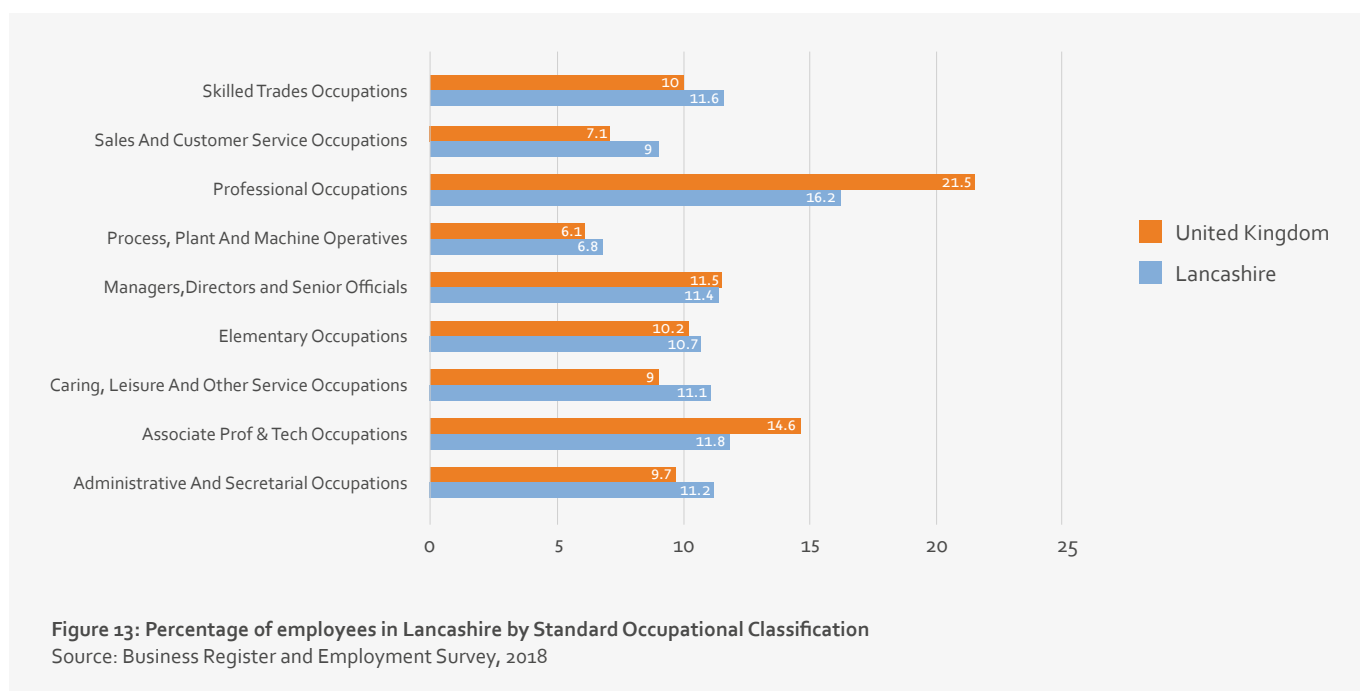
Figure 11: Forecast Demand for Skill Levels, 2028, Lancashire

Source: Oxford Economics analysis for the Lancashire Labour Market Intelligence Toolkit, 2018

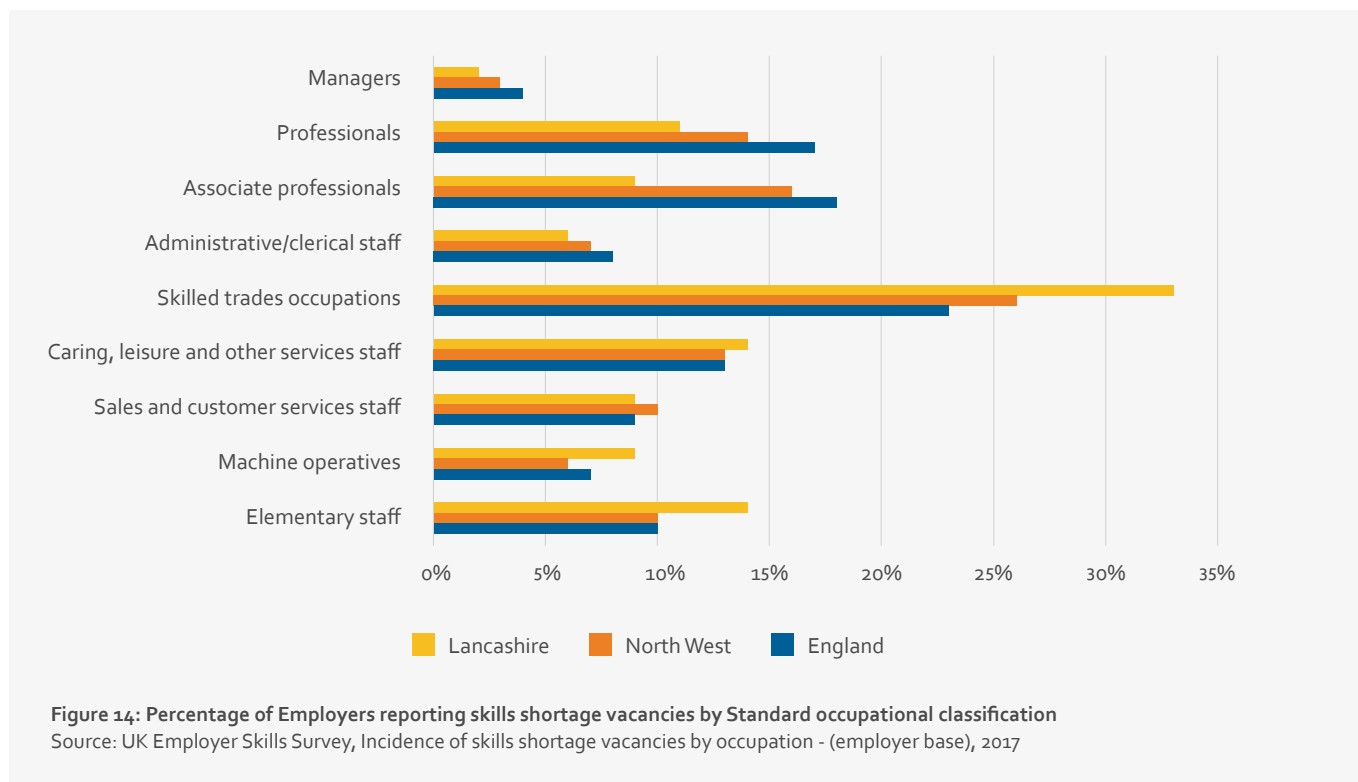
Lancashire lags the North West and the UK average in terms of qualifications at Levels 4+, with 32% of working age residents in Lancashire qualified to Level 4+, 3% below the North West level and 5% below the UK level (see figure 12). This impacts on productivity and the lower than average household disposable incomes in Lancashire compared to the UK. Thus, there is a challenge for the local economy to upskill its existing workforce and to ensure that the next generation of workers has the qualifications necessary for the skill-hungry economy of the future.



Lancashire's employment base differs somewhat in terms of occupation types from the national picture (see figure 13), Lancashire has proportionately fewer workers than the UK in Professional occupations (16.2% vs 21.5% in the UK), Associate Professional and Technical occupations (11.8% vs 14.6% in the UK), and managerial occupations (11.4% vs 11.5% in the UK), whilst having a considerably higher percentage of jobs in skilled trade occupations (11.6% vs 10% in the UK), Caring, Leisure and other service occupations (11.1% vs 9% in the UK), and Administrative and Secretarial occupations (11.2% vs 9.7% in the UK).



That Lancashire trails the UK by percentage of employment at a managerial level, highlights the need to improve Leadership & Management capacity, with a renewed focus on ensuring supervisors and managers have the skills needed to support business recovery relating to COVID-19. Despite Lancashire's proportionately higher employment in Skilled Trades Occupations compared to the UK proportion, data from the Employer Skills Survey (2017) shows that upwards of 30% of employers who have a need for Skilled Trades Occupations in Lancashire have 'Skills Shortage Vacancies' (see figure 14). This is considerably higher than the rate in England and the North West. Lancashire also has a higher percentage of 'Skills Shortage Vacancies' in Elementary Occupations, Machine Operatives and Caring, Leisure and Other Services Staff, compared to England and the North West.



Following the Apprenticeship reforms, 2017/18 Apprenticeship starts were down by 32.7% on the 2016/17 level (see figure 15). In the two years following the Apprenticeship reforms, Lancashire's starts had started to experience a recovery, and as of 18/19 Apprenticeship starts were at 73.2% of their pre-reform level. With the increase in percentage starts outperforming the national picture. Apprenticeship starts up to Quarter 3 of 2019/20 (August 2019 – April 2020) are down 15% (1582 starts) in Lancashire on the same period in 2018/19. The growth in Apprenticeship starts in the first six months of the 2019/20 academic year were offset by the impact of COVID-19. Current Apprentices are also affected by furlough, breaks in learning and redundancies resulting from the impact of COVID-19.

Area	Apprenticeship Starts					Percentage Changes in Apprenticeship Starts		
	2016/17	2017/18	2018/19	Q3 18/19	Q3 19/20	% Change 16/17 to 17/18	% Change 17/18 to 18/19	% Change Q3 18/19 to Q3 19/20
Lancashire	17,850	12,020	13,070	10,599	9,017	-32.7%	8.7%	-15%
National	530,100	401,620	422,130	317,909	278,946	-24.2%	5.1%	-12.3%

Figure 15: 2019/20 Apprenticeship Starts 2016/17 to 2019/20 Q3
Source: DfE Datacube

Lancashire local authorities data on 'sickness absence at work' typically lags both the UK and North West average for the percentage of hours of work lost annually due to sickness (see figure 16). With the exception of Blackburn with Darwen (which equals the UK average of 1.9%) all Local Authorities in Lancashire (which have available data), have a sickness absence rate above the UK average. When compared to the North West, only Pendle and Blackburn with Darwen are below the North West average figure and Preston's rate of 2.3% is equal to the North West average. This highlights the need to continue to develop workplaces initiatives that enable a healthy workforce. In turn a healthier workforce would likely have a positive impact on the retention of aging workers. This is important given Lancashire's percentage of working age residents is 1.6% below the UK and North West average, and because of the impact of COVID-19 on health and well-being, in particular mental health.

Local Authority	Sickness Absence Rate
Blackburn with Darwen	1.9%
Blackpool	2.8%
Chorley	2.5%
Fylde	4.3%
Lancaster	2.6%
Pendle	2.2%
Preston	2.3%
South Ribble	4.3%
UK Average	1.9%
North West Average	2.30%

Figure 16: Percentage of hours lost annually due to sickness, by local authority.
Only local authorities with statistically reliable data have been included

Source: ONS Sickness Absence Rate by Local Authority, 2017

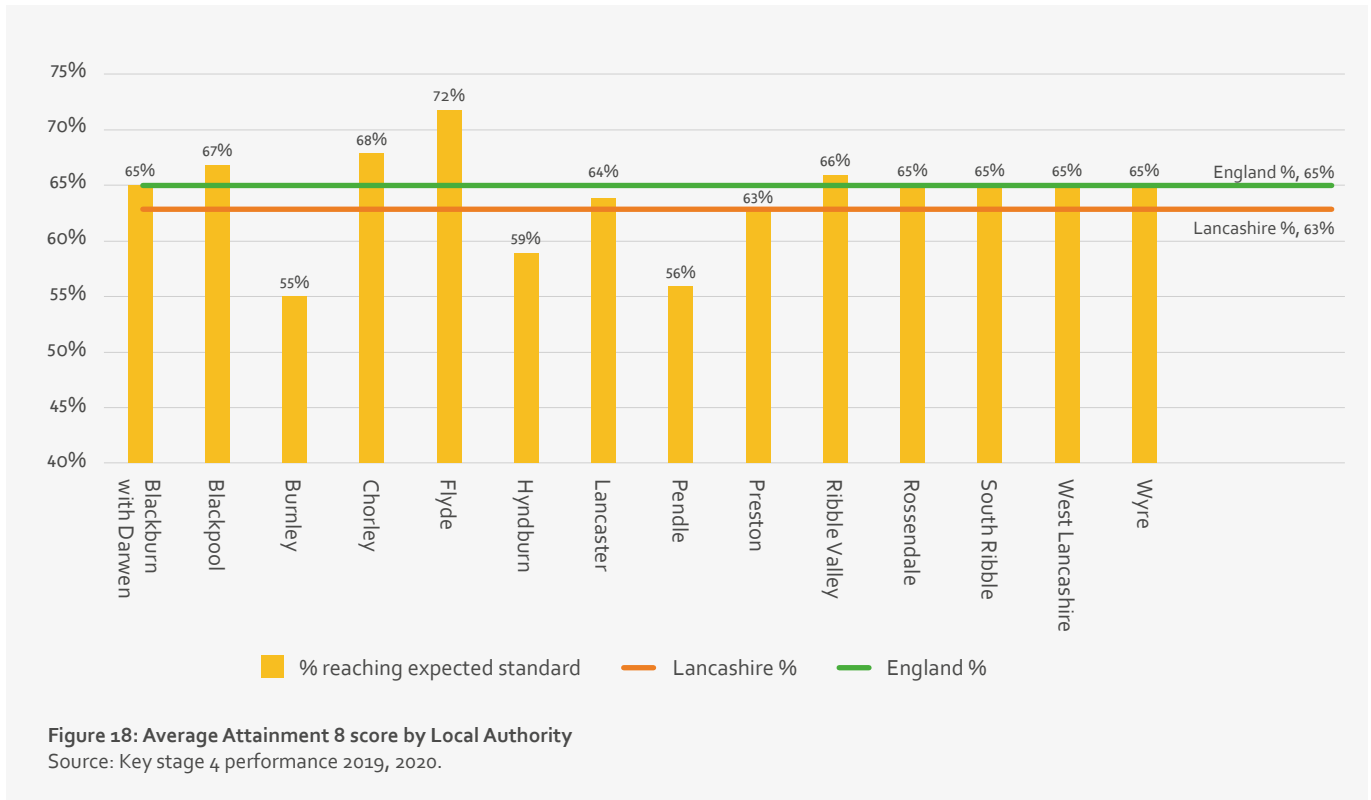
Lancashire's Healthy Life Expectancy for Males is 61 years which is in line with the North West, however both are lower compared to England which is 63 years (see figure 17). Conversely, Females in Lancashire have a higher Healthy Life Expectancy at 65 years, than both England (64 years) and the North West (62 years).

Area	Male	Female
England	63yrs	64yrs
North West	61yrs	62yrs
Lancashire	61yrs	65yrs

Figure 17: Healthy Life Expectancy by Gender, 2017

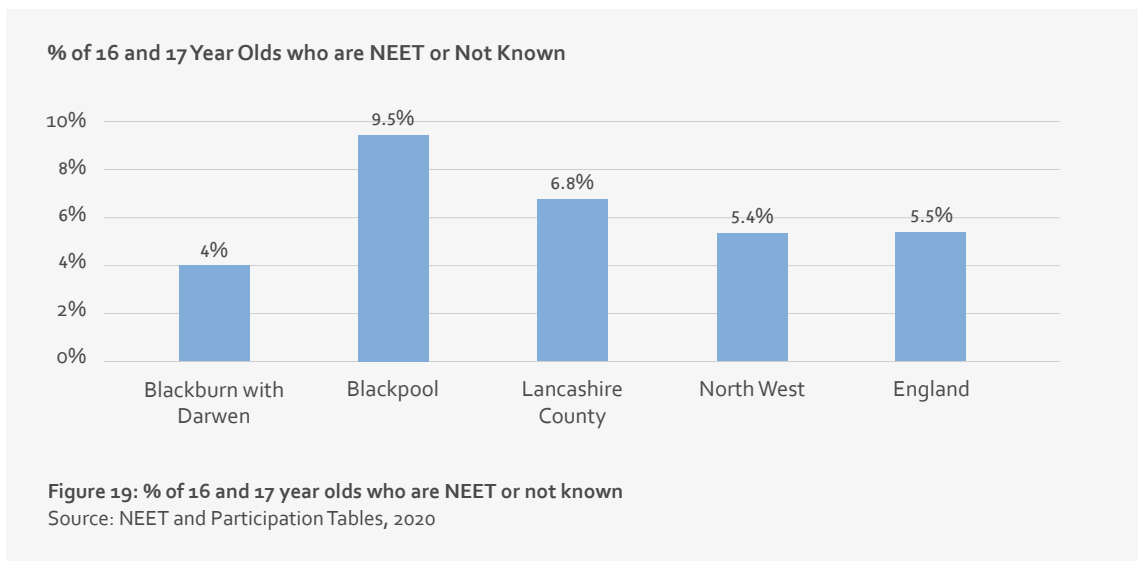
Source: Public Health England, 2015-17

Average Attainment 8 scores of Key Stage 4 pupils in Lancashire are above that of the England average, at 45.8 and 44.5 respectively (see figure 18). This does however mask significant variation in the districts of the LEP, with Blackpool and Burnley achieving an average Attainment 8 score of around 40 in 2017/18, compared to other areas such as Ribble Valley and Chorley, with average Attainment 8 scores as high as 53.6 and 49.5 respectively.



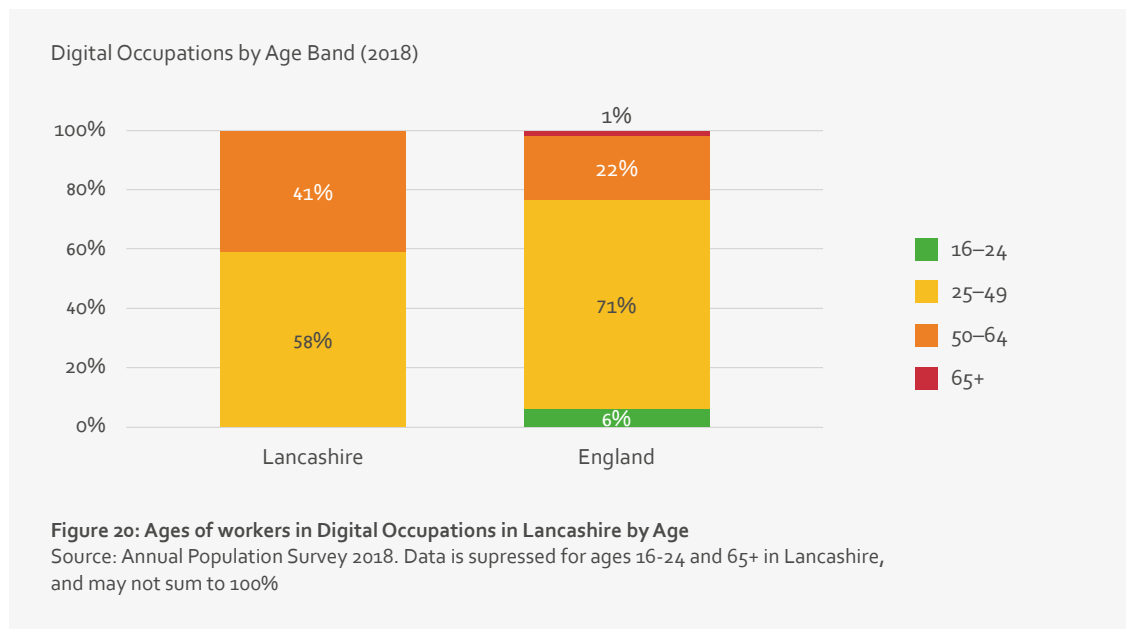
The rate of 16 and 17 year olds who are not in education, employment or training (NEET) is measured at Lancashire County Council, Blackpool Council and Blackburn with Darwen Council level. The most recent figures (2020) show that Lancashire County Council's percentage of 16 and 17 year olds who are NEET or not known is 6.8%, compared to 5.4% and 5.5% in the North West and England respectively (see figure 19). In Blackpool the figure is considerably higher at 9.5%, and in Blackburn with Darwen the rate of young people who are NEET or not known is significantly lower at 4%.

It is important that stakeholders and providers continue to work towards ensuring that there is adequate and appropriate provision available to support young people who are at risk of becoming NEET or who are NEET to reengage with learning and work. [A Gap Analysis¹](#) has been undertaken showing the availability of appropriate provision in Lancashire for these young people, which has been used to inform the targeting of European Social Funds (ESF). Without ESF funding or the coming UK Prosperity Fund, NEET provision is insufficient.

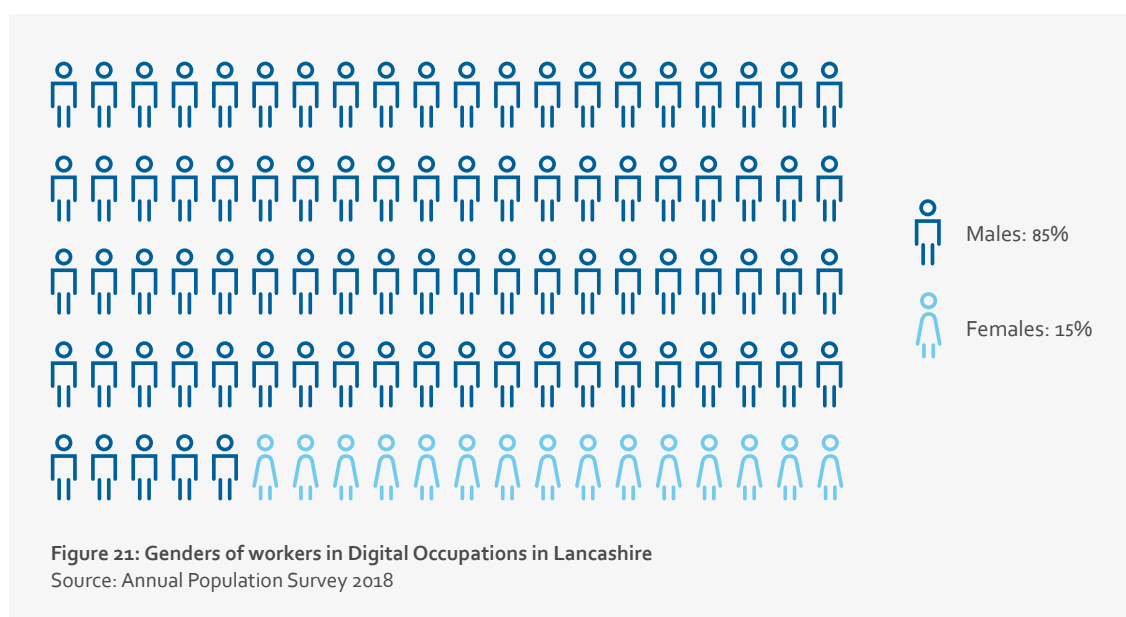


¹<https://www.lancshireskillshub.co.uk/our-people/evidence-base/>

Lancashire's Digital Skills Landscape (2019)² research found that Lancashire has an ageing workforce in digital occupations. There are nearly double the proportion of workers in digital roles aged 50-64 (41%) as is seen in England (22%), and in England 6% of digital workers are aged 16-24. Data for 16-24 year old digital workers in Lancashire was unavailable due to unreliable sample sizes (see figure 20). Lancashire must continue to encourage young people into high value added digital roles of the future to ensure there is a skills pool sufficient to support this important sector in Lancashire, particularly in the context of older workers leaving the workforce to retire.



Lancashire has issues regarding the balance of gender diversity in digital roles which reflects the national picture. In Lancashire 85% of the digital workforce is male (see figure 21), therefore more must be done to encourage females into the digital workforce through tailored provision and information which presents the digital sector and digital jobs in an appealing way.

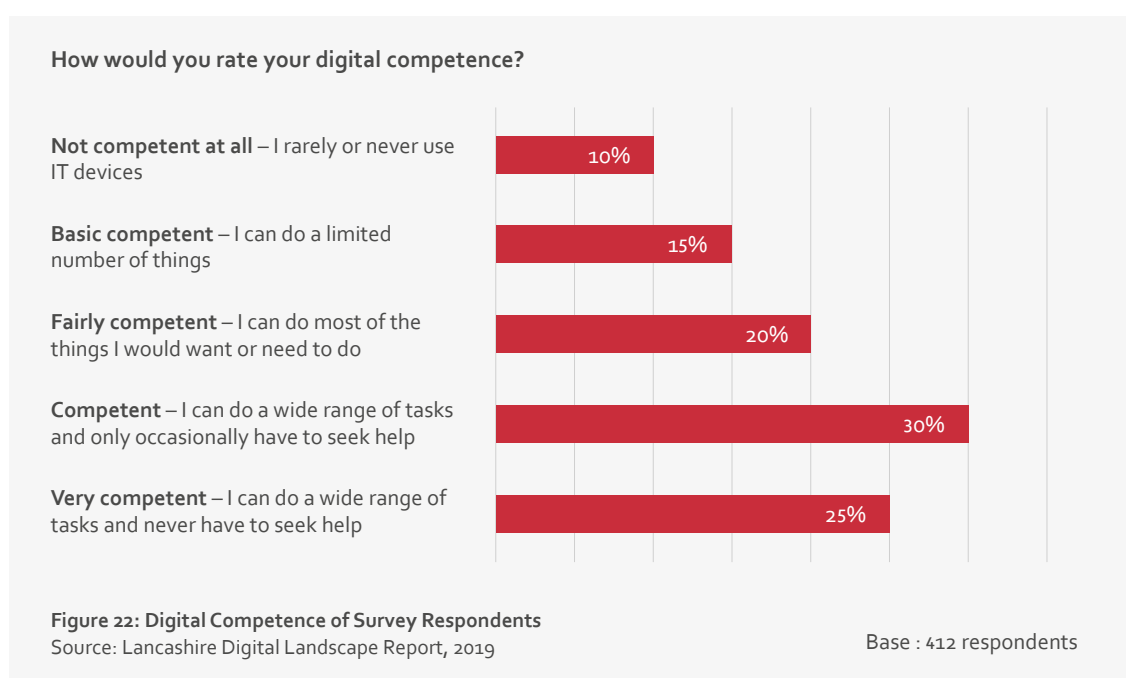


²<https://www.lancshireskillshub.co.uk/our-people/evidence-base/>

Digital is a priority sector for Lancashire due to its significant projected growth and contribution to the economy. Forecasts for the Lancashire economy indicate that employment in the information and communications sector is expected to grow nearly three times faster than the economy as a whole in the ten years to 2028, and GVA per worker in the information and communications sector in Lancashire is significantly higher than the average.

Data from the Oxford Economics Forecasting Model, shows GVA in Lancashire’s digital sector is expected to increase by 36% between 2018 and 2028, equal to £413m in additional GVA over the decade. Preston, Chorley, and South Ribble is expected to see the largest absolute digital sector GVA increase, equal to £132m in additional GVA. Just as importantly, digital technologies will have a role in driving the growth, competitiveness and productivity across sectors e.g. advanced manufacturing, creative industries, retail, transport and financial services. The projected growth in digital roles has the potential to contribute to improved productivity and economic prosperity across the area.

More than half of Lancashire residents surveyed as part of Lancashire's Digital Landscape Report (2019) consider themselves digitally competent (see figure 22). However, a quarter consider that at best they only have basic digital competency, with limits on the digital tasks that they can complete, and 10% have no digital competency at all. Age is a major determinant of digital competency amongst Lancashire’s residents.



Access to the internet will go some way to improving digital literacy. Whilst Lancashire has 97% coverage in terms of broadband connectivity, it is poorly served by fibre optic networks. Data suggested that Blackpool, Lancaster and Wyre have a higher proportion of people that have never used the internet.

There is also anecdotal feedback from stakeholders in Lancashire that access to digital devices and data is impeding the education and life chances of disadvantaged people in Lancashire. Digital exclusion due to these barriers prevents those affected from accessing services online such as public services, support to find a job, and eLearning.

Economic Impact of COVID-19

The economic impact of COVID-19 is an evolving picture. The claimant count is one way of tracking the impact on the labour market, as this shows the percentage of 16-64 year old residents claiming universal credit for the broad purpose of being unemployed. The Lancashire LEP region claimant count was at 3.7% in March 2020, which can be taken as the pre-pandemic baseline (see figure 23). During the pandemic the claimant count peaked at 7% in May 2020, an increase of 3.3 basis points, with the claimant count sitting at 6.9% as of July 2020.

Month	Lancashire Total % (no.)
March 2020	3.7 (33.5K)
April 2020	6.0 (55.0K)
May 2020	7.0 (64.0K)
June 2020	6.8 (62.0K)
July 2020	6.9 (63.0K)
March to July Change	3.2 (29.0K)

Figure 23: Claimant Count % and Number, Lancashire
Source: ONS Claimant count

The LEP average claimant count masks significant variation across Lancashire's districts, with some districts such as Blackpool seeing increases in the claimant count between March 2020 and July 2020 as large as 5.1 basis points. Blackpool has highest the claimant count percentage in Lancashire and at 12.3%, it is also the highest claimant count rate of any local authority in the country at the time of writing. Other local authority districts with increases which exceed the LEP average include Blackburn with Darwen, Burnley, Fylde, Hyndburn, Pendle, and Rossendale (see figure 24). Broadly speaking, those areas which have experienced above average increases in the claimant count were those areas where the claimant count pre-pandemic already exceeded the Lancashire LEP average, namely Blackburn with Darwen, Blackpool, Burnley and Hyndburn, this indicates that the impact of the Coronavirus pandemic as we know so far, has exacerbated existing inequalities in employment across the districts in Lancashire.

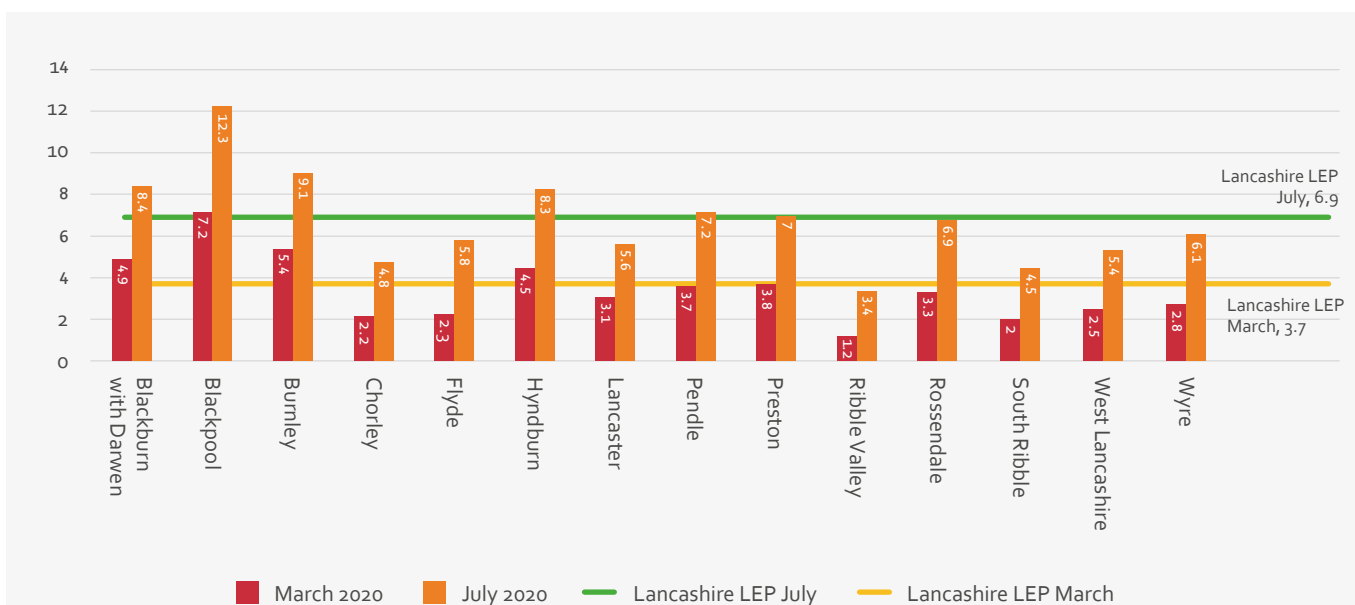


Figure 24: Claimant count by Local Authority
Source: ONS Claimant count by sex and age

It appears as though the differential in the claimant count rate between Males and Females has widened further during the course of the pandemic. As of March 2020, the claimant count rate was 4.4% for Males and 3.0% for Females, a 1.4 basis point differential. As of July 2020, the claimant count rate was 8.6% for Males in Lancashire and 5.3% for Females in Lancashire, a 3.3% differential (see figure 25).

Month	Male % (no.)	Female % (no.)	Lancashire Total % (no.)
March 2020	4.4 (20K)	3.0 (13.5K)	3.7 (33.5K)
April 2020	7.3 (33.5K)	4.7 (21.5k)	6.0 (55.0K)
May 2020	8.7 (40.0K)	5.2 (24.0K)	7.0 (64.0K)
June 2020	8.4 (38.5K)	5.2 (23.5K)	6.8 (62.0K)
July 2020	8.6 (38.5K)	5.3 (24.0K)	6.9 (63.0K)
March to July Change	4.2 (18.5K)	2.3 (10.5K)	3.2 (29.0K)

Figure 25: Claimant Count % by gender, Lancashire

Source: ONS Claimant count by sex

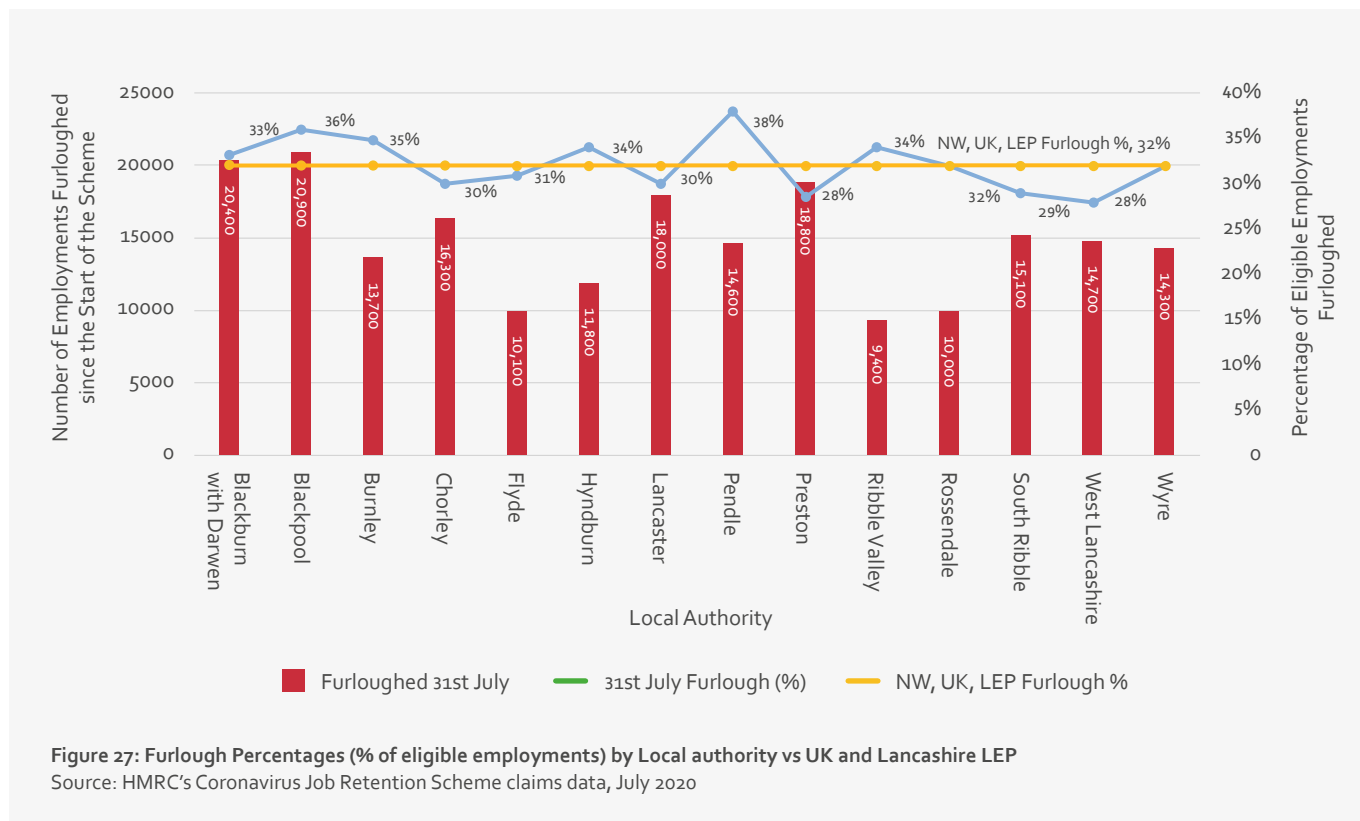
Young adults' (aged 18-24) education and employment prospects are of particular concern when considering the impact of COVID-19 on the Lancashire economy. The claimant count, as previously mentioned, rose to a peak of 7% in Lancashire during the pandemic for all claimants aged 16+. When looking at young adults aged 18-24, this rate climbed as high as 10%, 3% above the rate experienced by the wider population, and above the UK average of 9.3% as of July 2020 (see figure 26). A rate of 10% for claimants aged 18-24 in Lancashire constitutes a 5.1 basis point increase from the March 2020 rate of 4.9%.

Age Band	July 2020 Claimant Count (%)		
	Lancashire	North West	Great Britain
Aged 16+	6.9	7.2	6.5
Aged 18 To 24	10.1	10.4	9.3
Aged 18 To 21	9.9	10.2	9.1
Aged 25 To 49	7.8	8.1	7
Aged 50+	5	5	4.9

Figure 26: Claimant count by age band

Source: ONS Claimant count by age

The Coronavirus Job Retention Scheme (CJRS), also known as 'the furlough scheme', is an initiative introduced by the government to pay a proportion of the wages of employees on temporary leave, to directly combat the number of people being made redundant due to the pandemic. Figures released show that in Lancashire employments being supported by CJRS, as of the 31st of July 2020 from the introduction of the scheme 1st March 2020, totalled 208,000. This is the equivalent of 32% of eligible employments, and was in line with the North West and United Kingdom average (see figure 27).



Considerable variations across districts in Lancashire can be seen once again, with some areas such as Lancaster and South Ribble below the Lancashire, North West and UK rate of furlough in July of 32%, and other areas, such as Pendle, saw a rate of furlough of 38%, the fifth highest of any local authority nationally, and 6% above the 32% average.

Breakdown of the CJRS data by sector is only available at a North West level and is the closest approximation available to understand the furlough rates by sector in Lancashire. The figures show that some of the worst affected sectors include Wholesale and Retail, Accommodation and Food, Manufacturing, Administrative and support services, and Construction. Most of the aforementioned sectors have a furlough rate above the 32% average, but those that don't are included because they have some of the highest nominal numbers of workers furloughed in the North West (see figure 28).

When mapping the CJRS sector breakdown regionally and nationally against Lancashire's significant sectors (sectors which are important contributors to GVA and/or employ large percentages of people) as shown in figure 26, it is clear that some of Lancashire's priority sectors have been amongst the most badly affected. As of 31st July 2020, when the overall rate of furlough was 32%, sectors such as Accommodation and Food Services, saw furlough rates of 79% in the North West, which exceeded the figure of 73% nationally for this sector.

The differences across districts are in part due to the prevalence of sectors in those districts that have been particularly adversely affected. Both Blackpool and East Lancashire have seen the highest claimant counts and furlough rates in Lancashire. Each have economic dependencies on sectors which have been severely impacted as a result of the pandemic. Blackpool has a reliance on tourism to provide employment opportunities for residents, Accommodation and Food Services accounted for 12.7% of all employment in the town (UK average 7.5%) with Arts, Entertainment and Recreation providing 5.6% of employment (UK average 2.5%). In East Lancashire the manufacturing cluster has strong links to the civil aviation industry.

This further highlights the need for the Lancashire Skills and Employment Hub to engage with sector specific initiatives targeted at areas with labour market demand, informed by robust labour market intelligence.

Sector	Furloughed NW	Furlough Rate NW	Furlough Rate UK	Lancashire Employment %	Lancashire GVA (£m)
Wholesale and retail	215,200	42%	40%	17.6	£5,080
Accommodation and food service	182,000	79%	73%	7.1	£925
Manufacturing	117,300	38%	40%	13.7	£6,329
Administrative and support service	95,000	30%	30%	7.2	£1,315
Construction	80,000	59%	59%	5.8	£2,327
Human health and social work	48,900	10%	10%	14.6	£3,083
Real estate	17,400	35%	34%	1.1	£3,850
Education	31,600	9%	8%	8.9	£2,114

Figure 28: North West sector furlough numbers July 2020

Source: HMRC's Coronavirus Job Retention Scheme claims data, July 2020.

Employment by Sector, Source: Business Register and Employment Survey, 2018. GVA by Sector, Source: ONS

Many of the challenges Lancashire faces today existed before the COVID-19 pandemic, but many of these challenges have been exacerbated as a result of the economic disruption caused by the COVID-19 pandemic.

The picture of the Lancashire economy and the epidemiology of the virus will continue to be closely linked and dynamic over the coming months, and there are several gaps in the data which could have otherwise aided our understanding and aided us in supporting partners with robust LMI to direct support and provision towards areas of need. The Lancashire Skills and Employment Hub will continue to press the government to share data and will keep partners up to date with the latest data available.



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